

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 040522
ORIGIN TRSE-00

INFO OCT-01 ISO-00 EB-08 COME-00 LAB-04 AGRE-00 IO-13
EUR-12 CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-10
INT-05 L-03 NSAE-00 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 SP-02 SOE-02 OMB-01 DOE-11 NSCE-00
SSO-00 USIE-00 INRE-00 AF-10 ARA-10 EA-10 NEA-10
/146 R

DRAFTED BY TREASURY:EBARBER
APPROVED BY EB/OT:SEAHMAD
TREASURY:WBARREDA(SUBS)
EB/OT/GCP:DFINNERY(SUBS)
COMMERCE:SCRAVEN(SUBS)
LABOR:DWANNAMAKER(SUBS)
AGRICULTURE:JBENSON(USBS)
EB/OT/TA:CJACOBINI
EB/OT/GCP:JSLATTERY
-----032048 160022Z /14
O 152349Z FEB 78
FM SECSTATE WASHDC
TO USMISSION GENEVA IMMEDIATE
AMEMBASSY BRUSSELS IMMEDIATE

LIMITED OFFICIAL USE STATE 040522

USMISSION ALSO USMTN, USEEC, FOR HARTZELL, LAVOREL

E.O. 11652:N/A

TAGS:ETRD, GATT, MTN

SUBJECT: POSSIBLE UNDERSTANDING ON BOP MEASURES

REF: GENEVA 2240

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 040522

1. STAFF-LEVEL BOP SUBCOMMITTEE OF TPSC HAS CONDUCTED
INFORMAL REVIEW OF PROPOSALS CONTAINED IN REFTTEL. WITH
THE FOLLOWING CHANGES, PROPOSALS MAY BE USED FOR ORAL
DISCUSSIONS WITH EC OR OTHER INTERESTED DELS. SINCE THEY
DO NOT HAVE FORMAL INTERAGENCY CLEARANCE, HOWEVER,
NOTHING SHOULD BE COMMITTED TO WRITING AT PRESENT.

1. PARAGRAPH A-1 - DELETE BRACKETS AROUND "TO THE MAXIMUM EXTENT POSSIBLE" FOR REASONS GIVEN IN OUR G-18 MEMORANDUM (1976) WHERE WE USED PHRASE "IN CERTAIN EXCEPTIONAL CIRCUMSTANCES, TRADE MEASURES MIGHT BE UNAVOIDABLE."

3. PARAGRAPH A-2 OF TEXT: WE WOULD BE WILLING TO INCLUDE REFERENCE TO BOP DIFFICULTIES OF CERTAIN SMALLER DCS IN ORDER TO SATISFY NEW ZEALAND, FINLAND, ETC. FOR PRESENT WE CONCUR IN OMISSION OF THIS POINT FROM YOUR DRAFT, ALLOWING US TO GIVE IN AT AN APPROPRIATE TIME IF SUCH A CONCESSION WOULD ENCOURAGE ADHERENCE TO THIS UNDERSTANDING BY THE COUNTRIES IN QUESTION.
BY THE COUNTRIES IN QUESTION.

PARAGRAPH A-3-B, ADD THE FOLLOWING SENTENCE: "IN THIS CONNECTION, MEASURES WHICH AFFECT PRICE ARE TO BE PREFERRED OVER THOSE WHICH AFFECT QUANTITY." THIS THOUGHT WAS STRONGLY URGED BY TREASURY AND COMMERCE REPS, WHO FELT THAT SOME EXPRESSION OF U.S. PREFERENCE FOR SURCHARGES OVER QRS MUST BE CONTAINED IN AN INITIAL U.S. POSITION STATEMENT IN VIEW OF TRADE ACT LANGUAGE TO THAT EFFECT. WE SUGGEST THIS KIND OF WORDING IN ORDER TO TAKE ACCOUNT OF EC FEARS RE "LEGITIMIZING" SURCHARGES. IF STRONG EC OR OTHER OPPOSITION MATERIALIZES, WE CAN RECONSIDER THIS POINT AT AN APPROPRIATE TIME.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 040522

5. PARAGRAPH A-3, ADD A NEW SUBPARAGRAPH ALONG THE FOLLOWING LINES: "A BALANCE OF PAYMENTS MEASURE SHOULD NOT BE USED TO PROTECT A PARTICULAR INDUSTRY OR SECTOR." THIS INJECTS THE NOTION THAT BOP ACTIONS SHOULD APPLY TO ALL OR NEARLY ALL IMPORTS, WITHOUT GETTING INTO THEOLOGICAL ARGUMENTS ABOUT "ESSENTIAL PRODUCTS" WHICH CAN BE EXEMPTED.

6. PARAGRAPH C-4: SUBPARAGRAPH C) AND D) SHOULD BE DROPPED SINCE THEY ARE COVERED BY SUBPARAGRAPH A) AND WILL GENERATE STRONG OPPOSITION FROM EC AND LDCS RESPECTIVELY, FURTHER JEOPARDIZING OUR FRAGILE CHANCES OF STARTING A NEGOTIATION ON THIS SUBJECT. WE CAN CONTINUE TO WORK FOR REALIZATION OF BOTH THESE OBJECTIVES ON AN AD HOC BASIS IN THE GATT BOP COMMITTEE AS WE DID IN RECENT CONSULTATIONS WITH PAKISTAN. IF LDCS ARGUE STRONGLY FOR INCLUSION OF A SECTION LIKE SUBPARAGRAPH C, HOWEVER, WE COULD AGREE IF D ALSO IS INCLUDED.

7. PARAGRAPH C-7: WE ARE NOT ENTHUSIASTIC ABOUT THIS PROVISION, BUT CAN ACCEPT IT SINCE WE ARE COVERED BY THE CAVEAT "IN APPROPRIATE CASES".

8. PARAGRAPH D-1: WE SUGGEST YOU URGE EC TO DELETE FIRST BRACKET, "BY CONSENSUS". WE WISH TO PRESERVE THE PRINCIPLES THAT MINI-BOPS ARE A DEROGATION FROM STANDARD PROCEDURE, AND THAT ONE MEMBER CAN REQUEST A FULL CONSULTATION.

9. PARAGRAPHS D-2 AND D-3: CONSISTENT WITH THE PRECEDING COMMENT, EC SHOULD REWORD THEM TO REMOVE THE PRESENT IMPLICATION THAT A POSITIVE DECISION MUST BE TAKEN TO

HOLD A FULL CONSULTATION. (AS WE HAVE ARGUED AND STATED IN PARAGRAPH D-1, A FULL CONSULTATION IS THE NORM UNLESS A POSITIVE DECISION IS TAKEN TO HOLD A MINI-BOP.) FOR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 040522

EXAMPLE, SUBPARAGRAPH 3 MIGHT BE REWORDED AS FOLLOWS:

"IF THE COMMITTEE DOES NOT DECIDE THAT THE SIMPLIFIED PROCEDURE IS APPROPRIATE IN A GIVEN CASE, ..."

10. PARAGRAPH E-2: WE AGREE THAT A REQUIREMENT LIKE THIS WOULD BE HIGHLY DESIRABLE, BUT WE QUESTION THE EFFECT OF PROPOSING IT IN THE PRESENT DELICATE NEGOTIATING CIRCUMSTANCES. WE THEREFORE RECOMMEND THAT YOU RAISE IT ONLY IN THE MOST RESTRAINED AND TENTATIVE FASHION.

11. FOR YOUR CONVENIENCE WITH LUYTEN ON DISPUTE SETTLEMENT: TPSC CLEARANCE OF A POSITION PAPER IS EXPECTED MOMENTARILY. IN THE MEANTIME, IF THE NECESSITY ARISES YOU SHOULD DRAW ON YOUR PREVIOUS TALKING POINTS. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE040522
Document Source: CORE
Document Unique ID: 00
Drafter: EBARBER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780070-0579
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780250/aaaabqql.tel
Line Count: 151
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9dd3f2d8-c288-dd11-92da-001cc4696bcc
Office: ORIGIN TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 2240
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3583214
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE UNDERSTANDING ON BOP MEASURES
TAGS: ETRD, GATT, MTN
To: GENEVA BRUSSELS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/9dd3f2d8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014